

MULTI-SPORT ATHLETIC APPAREL, EQUIPMENT AND SPONSORSHIP AGREEMENT

IUB ATHLETICS

And

adidas PROMOTIONAL RETAIL OPERATIONS, INC.

THIS AGREEMENT is made as of October 15, 2007, by and between The Trustees of Indiana University, a statutory body politic of the State of Indiana, ("University") and adidas Promotional Retail Operations, Inc. with principal offices at 5055 N. Greeley Avenue, Portland, Oregon 97217, (hereinafter referred to as "adidas") (collectively the "Parties").

Whereas University desires to obtain, and adidas desires to provide athletic apparel and equipment for the intercollegiate athletic teams along with financial recompense via a sponsorship for the Athletics Department at Indiana University Bloomington Campus ("IUB Athletics"), as set forth in this document (the "Service") both parties agree to the following:

I. CONTRACT COMMENCEMENT

This agreement shall commence on July 1, 2008 and remain in effect for eight (8) years ending June 30, 2016, unless sooner terminated pursuant to the provisions herein. It may be renewed annually thereafter by mutual consent for a period not to exceed two (2) additional years.

II. ENTIRE AGREEMENT AND INTERPRETATION

This Agreement constitutes the entire agreement and no other terms and conditions in any document, acceptance, or acknowledgment shall be effective or binding unless expressly agreed to in writing by the Parties. Acknowledgement of the receipt of changes to the contract and/or order by either Party shall be made in writing. This Agreement supersedes all other agreements between the parties for the provision of athletic apparel, equipment and associated sponsorship fees for the Athletics Department at Indiana University Bloomington Campus.

The following documents are incorporated and shall constitute a part of this Agreement:

1. IU's letter to Adidas dated March 1, 2007.
2. Adidas' Best and Final Offer dated May 11, 2007.

3. Adidas' clarification e-mail dated May 31, 2007.
4. The Memorandum of Understanding between IU and Adidas issued in June 2007.

In the event of a conflict among the documents, the terms and conditions of the Agreement shall supersede those of IU's letter, and of the Adidas's offer and clarification.

III. NOTICES

With the exception of notice of termination, which must be made by certified mail, any written notice called for in this Agreement may be given by personal delivery, first class mail, overnight delivery service or facsimile transmission. Notices given by personal delivery will be effective on delivery; by overnight service, on the next business day; by first class mail, five business days after mailing; and by facsimile, when an answer back is received.

All written notices required to be given hereunder shall be deemed sufficiently given when placed in an envelope directed to the persons to be notified at the following address and deposited in the U.S. Mail, via certified or registered mail with return receipt requested.

To University:

Jennifer Foutty
Director of Purchasing Operations
IU Purchasing Dept.
Poplars Building Room 416
Bloomington, IN 47405
Fax: 812-855-7839
jfoutty@indiana.edu

To adidas:

Tim Haney

adidas America
5055 N. Greeley Avenue
Portland, OR 97217
Fax: 971-234-4959
Tim.Haney@adidasus.com

With Copy to IUB Athletic Department:

Tim Fitzpatrick
Senior Associate Athletic Director
IUB Athletic Dept.
1001 East 17th St.
Bloomington, IN 47408-1590

With Copy To:

Legal Department
adidas Promotional Retail Operations, Inc.
5055 N. Greeley Avenue
Portland, OR 97217
Fax: 971-234-4959

IV. TERMS OF THE AGREEMENT

The standard terms and conditions for doing business with Indiana University set forth in Appendices A through C of this Agreement shall govern this transaction. Throughout these three appendices "Contractor" shall be synonymous with "adidas".

It is specifically understood and agreed that such items relative to provision of athletic apparel, equipment and associated sponsorship fees which are not herein covered may be added to or excluded from this contract by the University without voiding in any manner the provisions of the contract. Such additional or deleted coverage shall be furnished to the University by adidas with such additional consideration as is necessary to make it legally enforceable. It is the intent of the University to acquire the athletic apparel and equipment for all the varsity athletic team programs (24 currently) for IUB Athletics when available and of acceptable quality except as provided for in pre-existing agreements.

A. Definitions

As used herein, the terms set forth below shall be defined as follows:

1. "adidas" shall mean adidas Promotional Retail Operations, Inc. and shall include by reference adidas-Salomon AG and any subsidiary of adidas-Salomon AG, or any company or entity controlled by, controlling or under common control with, adidas-Salomon AG or adidas Promotional Retail Operations, Inc., as the case may be.
2. "adidas Products" shall mean Products bearing any mark, logo, sign, symbol, or other identifier of adidas or its distributors or licensees.
3. "Affiliate" and "affiliated" shall mean any company or entity controlled by, controlling or under common control with, adidas-Salomon AG or adidas Promotional Retail Operations, Inc., as the case may be.
4. "Coach Endorsement" shall include the right to use the name, nickname, initials, autograph, voice, facsimile signature, photograph, likeness, character, image or facsimile image, video and film portrayals of Coach, and other similar means of endorsement which

are considered standard in the sports marketing industry, In connection with the marketing, advertising or sale of Products.

5. "Contract Territory" means the entire world.
6. "Contract Year" shall mean each consecutive twelve month period between July 1 and June30 during the term of this agreement.
7. "Products" shall include all equipment, apparel, footwear and clothing articles and accessories of an athletic or athleisure nature.
8. "IUB Marks" shall mean the marks set forth on Schedule A hereto and all other names, nicknames, mascots, identifications, trademarks, service marks, logo graphics and/or symbols, and any other recognized symbols associated with IUB's intercollegiate athletic programs.
9. "Covered Program(s)" shall mean all intercollegiate varsity athletic programs (and cheerleading) which are fielded by IUB.
10. "Flagship Program(s)" shall mean the following Covered Programs: football, men's basketball, women's basketball and women's volleyball.
11. "Team" shall mean that group of student-athletes attending University's Bloomington campus during the term of this Agreement and comprising the roster of each Covered Program.
12. "Coach" shall mean an individual employed during the term of this Agreement to act as a head coach of a Covered Program.
13. "Coach Properties" shall mean the Coach's name, nickname, initials, autograph, facsimile signature, voice, video or film portrayals, photographs, likeness and image or facsimile image, and any other means of sponsorship used by such Coach in connection with the advertisement, promotion and sale of "Products" (as defined below) and appearances and promotion of the University-adidas sponsorship, in either case in accordance with the terms of this Agreement.

14. "Staff" shall mean, collectively, all assistant coaches and strength coaches, equipment managers, trainers and any on-field/courtside staff (e.g., ballpersons, basketball stat crews, etc.) employed by University during the term of this Agreement to provide services to any Covered Program.
15. "NCAA" shall mean the National Collegiate Athletic Association.
16. "Conference" shall mean the Big Ten Conference and such other intercollegiate athletic conferences in which IUB is a member.
17. "Internet Content" shall mean text, graphics, photographs, film, video, audio and/or other data or information associated with the Internet.
18. "Internet" shall mean a global network of interconnected computer networks or other devices which is used to transmit Internet Content that is directly or indirectly delivered to a computer or other device for display to a user thereof, whether such Internet Content is delivered through on-line browsers, off-line browsers, "push" technology, electronic mail, broadband distribution (whether cable, DSL or otherwise), satellite, telephony, wireless or any other means whether now known or hereafter created.
19. "Athletics Websites" shall mean www.iuhoosiers.com, or any successor website thereto and any other now existing or hereafter created website owned and/or controlled by IUB's Athletic Department excluding www.indiana.edu.
20. "adidas Websites" shall mean www.adidas.com or any successor website thereto and any other now existing or hereafter created website owned and/or controlled by adidas.

B. adidas Responsibilities

1. adidas shall comply with all applicable federal, state, and local laws and regulations and with any and all applicable University policies in the operation of the Service.
2. adidas shall maintain high standards in the operation of the Service. If University believes any products being sold by adidas are substandard, it shall have the right to require adidas to immediately cease sales of such products, and University shall have the right to require adidas to replace those products with products of acceptable

quality.

3. adidas shall maintain all records pertaining to the Service for a period of five (5) years from the date the record is made. adidas shall allow University, or its authorized representative, to inspect, examine, and audit, with reasonable notice and during normal business hours, adidas's business records that are relevant to this Agreement. The cost of such inspection, examination, and audit will be at the sole expense of University.
4. adidas shall work with the University to maximize minority business enterprise (MBE) participation opportunities which shall include traditional second tier procurement and subcontracting from MBE firms when available. In addition, adidas shall generate and promote mentoring and mutually beneficial business relationships/alliances with MBE's in an effort to develop first tier MBE procurement potential for the University with a portion of these contracted goods and services.
5. As Indiana University is affiliated with the Workers Rights Consortium, the University expects adidas to insure basic rights of workers involved with manufacturing of its products. In that regard adidas shall comply with all applicable legal requirements of the country(ies) of manufacture in conducting business related to or involving the production or sale of Licensed Articles. These assurances will include at a minimum:
 - a. *Child Labor*: adidas shall not employ any person at an age younger than 15 (or 14, where, consistent with International Labor Organization practices for developing countries, the law of the country of manufacture allows such exception). Where the age for completing compulsory education is higher than the standard for the minimum age of employment stated above, the higher age for completing compulsory education shall apply to this section. adidas agrees to consult with governmental, human rights, and nongovernmental organizations, and to take reasonable steps as evaluated by the University to minimize the negative impact on children released from employment as a result of implementation or enforcement of the Code.
 - b. *Forced Labor*: There shall not be any use of forced prison labor, indentured labor, bonded labor or other forced labor.
 - c. *Health and Safety*: Adidas shall provide a safe and healthy working environment to

prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Adidas' facilities.

adidas shall ensure that its direct operations and those of any subcontractors comply with all workplace safety and health regulations established by the national government where the production facility is located, or with Title 29 CFR of the Federal Code of Regulations, enforced by Federal OSHA (Occupational Safety and Health Administration), whichever regulation is more health protective for a given hazard.

adidas shall ensure that its direct operations and subcontractors comply with all health and safety conventions of the International Labor Organization (ILO) ratified and adopted by the country in which the production facility is located.

d. *Nondiscrimination*: No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

e. *Harassment or Abuse*: Every employee shall be treated with dignity and respect. No employee shall be subject to any physical, sexual, psychological, or verbal harassment or abuse. adidas will not use or tolerate any form of corporal punishment.

C. University Responsibilities

1. University shall provide select office furniture and equipment for use by the adidas on-site representative in the performance of this contract at no-charge. No additional office equipment or furniture may be purchased or utilized on IUB campus without the written consent of the University.
2. The University shall provide the adidas on-site representative with one outside line and one telephone. Additional lines and equipment, if needed, will be provided upon approval of the University. University shall invoice adidas for the monthly rental and local service for that line as well as any other services provided. This provision does not include long distance charges, which shall be the responsibility of adidas.

D. Grant of Sponsorship Rights

University hereby grants to adidas, and adidas hereby accepts during the term of this Agreement:

1. The designation as "the exclusive supplier of the athletic footwear and apparel of (each Covered Program)" and "the exclusive athletic footwear, apparel and accessories sponsor of (each Covered Program)," "the exclusive supplier of the athletic footwear of (each Covered Program)," the exclusive athletic footwear sponsor of (each Covered Program)" and/or such similar designations as the parties may agree upon (collectively, the "Designations").
2. The right to utilize the IUB Marks, Coach Properties and/or Designations worldwide, in any media (now known or hereafter created) including, but not limited to, the Internet and, CD-ROM in connection with the advertising, marketing and promotion (including in programming in any and all media including the Internet) of adidas Products, adidas brands, and any of the adidas Websites and in the creation, production, distribution and sale of Internet Content. Such rights shall specifically include, but shall not be limited to, the following:
 - a. The exclusive right to supply Products to each Covered Program and to use the appropriate Designations.
 - b. The right to manufacture adidas Product bearing or incorporating IUB Marks for distribution and use by the Covered Programs and to conduct promotions with and through adidas retail accounts and over the Internet.
 - c. The right to use in Internet Content on the Internet, in accordance with the terms of this Agreement and subject to applicable NCAA, Conference and University rules and regulations with respect to the depiction of eligible athletes, game photographs, video, audio, text, graphics, film footage and/or any other data, materials or information (e.g., statistics, biographical profiles, archival materials, etc.) of any and all Covered Programs whether created by adidas (or its agent) or controlled by University (collectively, "University Content"). In connection therewith, at adidas' request, University shall permit adidas to utilize, consistent with this section, University Content (owned and/or controlled by University or created by adidas (or its agent)), without a use fee, other than reasonable search and edit charges.

3. Notwithstanding the foregoing grant of rights, adidas acknowledges that University is party to pre-existing contracts with respect to product supply of certain Covered Programs. University represents and warrants that, with respect to the Flagship Programs, set forth on Schedule B hereto is a true list of the primary companies with whom University has such an agreement, the program covered by each agreement, and the expiration date of such agreement. University further represents and warrants that, with respect to Covered Programs that are not Flagship Programs, set forth on Schedule B hereto is a true list of the primary companies with whom University has such an agreement, the program covered by each agreement, and the expiration date of such agreement. If at any time during the Term, University becomes aware of any agreement(s) that University has not listed on the attached Schedule B, University shall notify adidas in writing of such agreement(s) and adidas shall incorporate such agreement(s) into Schedule B. The parties agree that upon the expiration of each such agreement, the Covered Program (and any Coach thereof, subject to expiration of any relevant personal services agreement) shall be deemed subject to all terms and conditions of this Agreement.

V. CONSIDERATION

In consideration for the rights granted under this Agreement, adidas shall supply University with adidas Products and cash payments as follows:

A. Sponsorship Payments

For the exclusive Sponsorship rights and other rights described herein, adidas agrees to pay University sponsorship fees (collectively, the "Sponsorship Fees") in the aggregate amount of Six Million, Six Hundred Eighty Thousand Dollars (\$6,680,000) for the term of the agreement. All payments shall be submitted to IUB Athletic Department at the address indicated in section III. adidas will make these cash payments to the University on or before the first day of each contract sponsorship year (July 1) at the following annual amounts:

2008	\$800,000
2009	\$810,000
2010	\$820,000
2011	\$830,000
2012	\$840,000

2013	\$850,000
2014	\$860,000
2015	\$870,000

B. Royalty Income

In further consideration for the rights granted under this Agreement, adidas agrees to pay University annual guaranteed minimum royalty income amounts specified below. These cash payments shall be on or before the first day of each contract sponsorship year (July 1).

2008	\$150,000
2009	\$160,000
2010	\$170,000
2011	\$180,000
2012	\$190,000
2013	\$200,000
2014	\$210,000
2015	\$220,000

adidas shall owe the University a royalty rate of 10% on all goods manufactured and resold that display an IU trademark or logo. Royalties shall be calculated by applying the Royalty Rate to the "Net Selling Price" of all products sold. "Net Selling Price" means the gross selling price billed by adidas less refunds for accepted returns, and sales and excise taxes separately stated, but no deduction shall be made for cash or other discounts, uncollectible accounts, or cooperative or other advertising or promotion allowances. No other costs incurred in the manufacture, sale, distribution, or marketing of the products shall be deducted from gross selling price in determining the royalty payable by adidas. Products are considered sold on the date on which such products are billed, invoiced, shipped, or paid for, whichever occurs first. At the end of each sponsorship year, adidas shall reconcile the amount owed for royalties to the guaranteed amount paid. Any additional amount owed for royalties will be paid by adidas to the University within 30 days of the end of each sponsorship year.

C. Inflatables

In further consideration for the rights granted under this Agreement, adidas shall allocate the following cash payments for inflatables per year:

<u>Contract Year</u>	<u>Bonus Amount</u>
2008	\$50,000
2009	\$50,000
2010	\$50,000
2011	\$50,000
2012	\$50,000
2013	\$50,000
2014	\$50,000
2015	\$50,000

D. Bonuses

In further consideration for the rights granted under this Agreement, adidas shall allocate the following bonuses per year, to be used at the discretion of the Director of Athletics:

<u>Contract Year</u>	<u>Bonus Amount</u>
2008	\$125,000
2009	\$125,000
2010	\$125,000
2011	\$125,000
2012	\$125,000
2013	\$125,000
2014	\$125,000
2015	\$125,000

E. Signing Bonus

In further consideration for the rights granted under this Agreement adidas shall provide IU with a one-time signing bonus, upon execution of the Memorandum of Understanding issued in June 2007. The amount of this signing bonus is \$500,000.

F. Annual Merchandise Allotment

In further consideration for the rights granted under this Agreement, adidas shall supply to University, free of charge, complimentary merchandise (footwear, apparel and equipment) for the IUB Athletic Department varsity sports for each year. The Athletic Department will order and

equip the teams at their discretion. The amount of complimentary merchandise (at wholesale prices) are as specified below:

<u>Contract Year</u>	<u>Product Allotment</u>
2008 <i>EV 08</i>	\$1,350,000
2009 <i>10</i>	\$1,355,000
2010 <i>11</i>	\$1,360,000
2011 <i>12</i>	\$1,365,000
2012 <i>13</i>	\$1,370,000
2013 <i>14</i>	\$1,375,000
2014 <i>15</i>	\$1,380,000
2015 <i>16</i>	\$1,385,000

It is expected that this allotment shall meet all the needs of the Team Sports. If it does not meet that need, Adidas shall supply the additional required allotment free of charge to the University.

Any merchandise purchased by the IUB Varsity Shop locations, whether managed by IU or an outside entity, for commercial resale, will be priced 10% below the wholesale costs.

G. Additional Merchandise Purchase

In further consideration for the rights granted under this Agreement, adidas shall allow University to purchase additional items as needed at a significant discount. Any additional merchandise purchased from adidas by the University for resale, by IUB Athletics, or the IUB Coaches for personal attire or their camps will be priced at adidas' cost.

H. Internships

adidas shall create and fund two (2) internships per year for IU students that will be housed in the IU Athletic Department. Each of these shall be annually funded at a level of \$18,000 (\$1,500 per month) by adidas, with payment to students to be managed by the IU Athletic Department following receipt of funding from adidas. adidas shall make the payment of \$36,000 each year on the first day of the sponsorship year. IU Athletics shall choose the students for these internships.

I. On-site adidas Representative

In further consideration for the rights granted under this Agreement adidas shall provide IU with an on-site representative to assist in selecting and ordering merchandise, delivery expediting and general contract and associated process facilitation. This representative shall be on site from for the life of this Agreement and shall work with the IUB Athletics manager of the equipment room and the manager of the Varsity Shop.

J. Review of Consideration

At one point during the life of the Agreement, with that time to be designated by the University but not to occur until after the fourth (4th) year of the Agreement, the University and adidas shall review the financial considerations of this Agreement to ensure that University remains at a level of cash and product sponsorship, collectively and individually, not less than the #8 ranked NCAA Division I college or university under contract with adidas. If the University falls below this mark, the financial considerations will at a minimum be automatically elevated to the cash and sponsorship level of the #8 ranked adidas program, with all other terms of the Agreement remaining unchanged.

VI. PRODUCT ORDERING AND DELIVERY; LOGO USE ON PRODUCT

A. The exact styles, sizes and delivery dates (and where appropriate, quantities) of adidas Products that may be ordered pursuant to an Annual Supplied Product Limit (or as otherwise provided under this Agreement) shall be mutually determined by adidas and University (and subject to availability) for each Contract Year. adidas will provide apparel in the official IU colors. adidas will make every effort to deliver the merchandise on a timely basis. To ensure timely delivery to University of its annual product order for each sport by the relevant need date, University acknowledges that it will make best efforts to place its complete annual product orders on a timely basis.

B. All Products to be supplied by adidas under this Agreement shall be delivered F.O.B. to University via regular ground freight (the cost of shipping by any other means shall be borne by University). Only properly submitted orders from University's IUB Athletics Department against a valid University purchase order shall be filled by adidas. In the event University requires Products for Team use that adidas does not then-manufacture or elects not to provide because of limited availability, University may use such Product manufactured by a third-party ("Competitive Product"), provided, however, (i) University shall not endorse or

otherwise advertise or promote its use of such Competitive Product and shall switch to the use of Products manufactured by adidas at such time as such Products may become available through adidas, and (ii) the maker of such product is a brand that is, as of the date hereof, principally known in the sporting goods industry primarily as a manufacturer of such product.

- C. University acknowledges that the placement of the adidas logo, as it is currently permitted by the NCAA and now placed by adidas (in terms of size, location placement, color contrast/prominence and/or number of placements), on Authentic Competition Apparel is a bargained for material benefit contemplated by adidas under this Agreement and that such continued degree of manufacturer logo prominence on competition product is of the essence of this Agreement. Accordingly, during the Term, University shall take no action that shall have the effect of relocating (except for a more favorable placement should a subsequent relaxation in rules so permit), reducing, or restricting adidas' logo placement rights on product as such logo now appears and is permitted by current relevant NCAA and/or Conference rules or regulations including, but not limited to, NCAA Bylaw 12.5.4. Notwithstanding anything contained in this subparagraph, University further acknowledges that nothing herein shall be construed as a restriction of any right of adidas to avail itself of such more favorable presentation or placement of its logo (e.g., size, color contrast, number of placements, location of placement, etc.) as may be currently permitted under NCAA, Conference and/or other applicable rules, or hereafter permitted by any subsequent relaxation in NCAA, Conference and/or other applicable rules.

VII. USE OF ADIDAS PRODUCTS

- A. Throughout the Term, University shall make adidas Products available on an exclusive basis to each Covered Program to be worn and/or used by Team members, Coaches and Staff during practices, games, exhibitions (including during locker room activities), locker room and/or sideline/courtside celebrations and/or presentations, and other official or University sanctioned activities (including but not limited to photo sessions and interviews) during which Team members, Coaches and Staff wear and/or use Products except as otherwise provided under this paragraph, and Section VI. above. University shall require all such Coaches and Team and Staff members to wear and/or use exclusively adidas Products (as provided above) during such activities. Notwithstanding the foregoing, adidas acknowledges that any Coach's wearing of non-athletic footwear and apparel, as appropriate, in connection with his or her official coaching duties shall not constitute a breach of this Paragraph. adidas shall not be

liable to University, any Team member, Coach, or Staff for any injury or damage suffered from wearing or using adidas Products, except such injury or damage resulting from negligence.

B. University shall make best efforts such that during Covered Program activities no Team member, Coach or Staff member shall:

1. Alter or permit the alteration of any adidas Products worn or used by them to resemble non-adidas Products, or
2. Wear any non-adidas Products which have been altered to resemble adidas Products.

VIII. OTHER SPONSOR BENEFITS

Each Contract Year, in addition to requiring each Covered Program to use adidas Products in accordance with Section VII above, University shall provide adidas with a package of complimentary sponsor benefits the mix of which will be mutually determined on an annual basis but to include game tickets, at a minimum, and the following media and other elements if available:

A. adidas shall receive season tickets to home games, tickets to home games at neutral sites and tickets to post season games as indicated below for each Covered Program in accordance with the following:

PROGRAM	NO. TICKETS
Football	4
Football (post-season contests)	2
Basketball (M)	2
Basketball (M) (post-season contests)	2
Basketball (W)	6
Basketball (W) (post-season contests)	2
Other Ticketed Programs	2

B. Four (4) "VIP" parking passes at all home football and basketball games.

- C. With respect to the Flagship Programs, adidas shall receive at each home game at which a public address system and/or electronic message board (or other electronic messaging systems) is used, as applicable, suitable in-game P.A. announcements and/or board messages recognizing adidas as the exclusive Products supplier and sponsor of the applicable program. The announcement/ acknowledgement shall comply with the requirements of 26 U.S.C. 513 to qualify the payment to the University as a "qualified sponsorship payment" and as such, adidas shall not have the right to display a message that contains a comparative or qualitative description of adidas Product, price information or other indications of savings or value, a sponsorship, or an inducement to purchase, sell or use adidas Product. All copy and graphics proposed for display by adidas are subject to reasonable approval by the University.
- D. adidas shall receive reasonable access to Covered Program activities, for adidas (or its agent) to create and use in accordance with the terms of this Agreement and with the prior written approval of University in each instance, and subject to applicable NCAA rules and regulations with respect to the depiction of eligible athletes, University Content, including but not limited to conducting and taping post-game interviews or filming "Midnight Madness", Team practices, or their participation in a domestic or international tournament/tour.
- E. In addition to the above, University shall use best efforts to afford adidas advance notice and the opportunity to consider participation, upon mutually agreeable terms, in any and all additional appropriate advertising opportunities, in any media, made available by the IUB Athletics Department with respect to the Flagship Programs during the term of this Agreement.

IX. APPEARANCES

In connection with the promotion of adidas Products and/or adidas brands, and in an effort to promote sports participation and the values associated with such participation and to promote the University's IUB athletic programs generally, each Contract Year, upon reasonable prior notice and subject to the limitations of the terms of any Coach's contract with the University and any coaching commitment, if so requested by adidas, University shall make the Coach of each Flagship Program available for one (1) personal appearance on behalf of adidas.

X. DESIGN AND MARKETING CONSULTATION

- A. adidas shall continue its efforts to produce high quality Products through consultation with coaches and staff of successful athletic programs such as University's and whose full

cooperation is important to adidas; as such individuals have knowledge that can be useful in the research, development and production of adidas Products. Upon request by adidas, University shall request designated Coaches and Staff to provide adidas with reports concerning the adidas Products supplied to each through adidas' product development and testing program. Such reports shall address the fit, wear characteristics, materials and construction techniques of such Products.

- B. University shall, subject to the satisfaction of the IUB Athletics Department and relevant Coach as to quality of the Product, require the use, in practices and games, by such Teams as adidas may request, such specific models and/or styles of adidas Products as adidas may designate from time-to-time.

XI. ADVERTISING APPROVALS

adidas shall submit commercial material developed pursuant to section IV.D., to University for approval prior to use for any commercial or external purpose. Within ten (10) business days after receipt of such commercial material, University will approve or disapprove the submitted commercial material. If a submission is disapproved, University shall provide written notice, which shall set forth in reasonable detail the basis for such disapproval. Any submitted item that has not been disapproved within thirty (30) calendar days of receipt by University shall be deemed approved. Once a submitted sample or concept is approved, adidas shall not depart therefrom in any material respect without re-submission of the item and obtaining University's further approval.

XII. INDEPENDENT CONTRACTORS

The performance of services by adidas and University in accordance with the terms of this Agreement is in the capacity of independent contractors. This Agreement is not intended to create nor shall it be construed to create any relationship between the parties other than that of independent entities contracting solely for the stated purposes. Neither University nor adidas nor their respective officers and employees shall be considered to be, and they shall not represent to any third-party that they are, the agent, employee, or representative of the other party.

XIII. SEVERABILITY

Every provision of this Agreement is severable. If any term or provision hereof is held to be illegal,

invalid or unenforceable for any reason whatsoever, such illegality, invalidity or unenforceability shall not affect the validity of the remainder of this Agreement or any other provision and the illegal, invalid or unenforceable provision shall be deemed by the parties as replaced by such substitute provision as shall be drafted by adidas and acceptable to University, in such form and substance as shall be legally valid, and as shall accomplish as near as possible the purpose and intent of the invalidated provision.

XIV. PROPRIETARY MARKS

The University and adidas acknowledge that the names, logos, service marks, trademarks, trade dress, trade names and patents, whether or not registered, now or hereafter owned by or licensed to adidas or its affiliated and parent companies (collectively "Marks") or to the University are proprietary Marks of adidas or the University respectfully and neither party will use the Marks for any purpose except as expressly permitted in writing by adidas or the University. Upon termination of this Agreement, the University and adidas shall immediately and permanently discontinue the use and display of any Marks

XV. GIFTS AND GRATUITIES

adidas and the University hereby certify that neither adidas nor any agent or representative of adidas has at any time provided or offered to provide, nor during the term hereof will provide or offer to provide, any gratuity, including, but not limited to, entertainment, personal services, money, or gifts, to any director, officer, or employee of the University or any affiliate of the University or to any family member of any such person in order to secure this Agreement or to secure any favorable treatment by the University in respect of this Agreement or in respect of its performance; provided that adidas may, without violating any provision of this Section, furnish a business meal or other gratuity of ordinary, reasonable cost to any director, officer, or employee of the University, in compliance with adidas' (or its affiliates as applicable) Integrity Policy.

XVI. SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives the day and year first above written.

INDIANA UNIVERSITY

ADIDAS PROMOTIONAL RETAIL OPERATIONS, INC.

("University")

("adidas")

By: [Signature]

By: [Signature]

Title: Purchasing

Title: V.P. SPORTS MKTG

Date: NOV 11, 07

Date: 12/11/07

INDIANA UNIVERSITY

Athletics Department
By: [Signature]

Title: DIRECTOR OF ATHLETICS

Date: OCTOBER 11, 2007